



Abbott Pakistan
Un-Audited Financial Statements for the
First Quarter Ended March 31, 2011



Corporate Information

Board of Directors

Munir A. Shaikh (Chairman)
Asif Jooma (Chief Executive Officer)
Kamran Y. Mirza
Thomas C. Freyman (Alternate Director to Anis A. Shah)
Syed Anis Ahmed
Angelo Kondes
Shamim Ahmad Khan

Audit Committee

Shamim Ahmad Khan (Chairman)
Munir A. Shaikh
Kamran Y. Mirza
Maria Umer (Chief Internal Auditor by invitation)
Syed Anis Ahmed (CFO by invitation)

Human Resource Committee

Munir A. Shaikh (Chairman)
Asif Jooma
Shamim Ahmad Khan

Share Transfer Committee

Asif Jooma (Chairman)
Syed Anis Ahmed
Anis A. Shah (Alternate Director to Thomas C. Freyman)

Banking Committee

Munir A. Shaikh (Chairman)
Asif Jooma
Anis A. Shah (Alternate Director to Thomas C. Freyman)
Syed Anis Ahmed

Chief Financial Officer

Syed Anis Ahmed

Company Secretary

Malik Saadatullah

Auditors

M. Yousuf Adil Saleem & Co.

Legal Advisors

Orr, Dignam & Co.
Surridge & Beecheno

Share Registrar

FAMCO Associates (Pvt) Ltd.
State Life Building 1-A, 1st Floor,
I.I. Chundrigar Road, Karachi, 74000

Bankers

The Royal Bank of Scotland Limited
Citibank N.A.
Deutsche Bank AG
MCB Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
HSBC Bank Middle East Limited
The Bank of Tokyo-Mitsubishi UFJ Limited

City Office

8th Floor, Faysal House,
ST-02, Shahrah-e-Faisal, Karachi

Registered Office

Opp. Radio Pakistan
Transmission Centre,
Hyderabad Road, Landhi,
P.O. Box 7229, Karachi

Website

www.abbott.com.pk

Senior Management Team

Asif Jooma (Chief Executive Officer)
Syed Anis Ahmed (Chief Financial Officer)
Anis A. Shah (Operations Director)
Dr. Sarmad Maqbool (Marketing & Strategy Director)
Dr. Farrukh Hafeez (Quality Assurance Director)
Ayub A. Siddiqui (Head of Nutrition Division)
Habib Ahmed (Head of Diagnostic Division)
Syed Imtiazuddin (Head of Diabetes Care Division)
Dr. Arshad Ahmed (Medical Director)
Seema Khan (Regulatory Director)
Saira C. Halai (Human Resource Director)

Directors' Report

The Directors have pleasure in presenting their Report with the accounts of the Company for the first quarter ended March 31st, 2011.

FINANCIAL RESULTS

Sales for the quarter increased by 30% as compared to the 1st quarter ended February 28th, 2010 (26% increase on 3 months comparable period basis). Pharmaceutical sales increased by 23% (22% increase on 3 months comparable period basis), Nutritional by 25% (22% increase on 3 months comparable period basis) and Other segment sales which consist of General Health Care, Diagnostic & Diabetes Care grew by 132% (73% increase on 3 months comparable period basis). Gross profit to sales ratio was 36% in the current quarter as compared to 29% in the 1st quarter ended February 28th, 2010 favourably impacted by improved product mix, strong growth in the Nutrition and General Health Care segments. Selling and distribution expenses increased by 27% mainly due to higher sales volume. Administration expenses increased by 21% compared to the 1st quarter ended February 28th, 2010. Other charges increased mainly due to increase in provision for WPPF, WWF and CRF in line with higher profit. The higher gross profit led to an increase in profit before tax by 116% while profit after tax for the quarter was up by 117% as compared to the 1st quarter ended February 28th, 2010.

FUTURE OUTLOOK

Given the sharp increase in the cost of imported raw and packing materials and recent rise in oil prices, the pharmaceutical industry is urging the government to adopt a transparent pricing mechanism to avoid future pricing discrepancies and ensure continued availability of pharmaceutical products in the market. In addition, the impending devolution of health ministry to the provinces following the passage of the 18th Amendment has serious implications for the industry.

The industry associations i.e. PPMA and Pharma Bureau are aligned on the need for the formation of a Drug Regulatory Authority at the Federal level to manage Pharmaceutical Registration and Pricing. This is no different to existing structures globally where Drug registration and Pricing are coordinated by one body at the Federal level. It is expected that the transition process will be managed to avoid hardship to the public.

Karachi: April 23rd, 2011



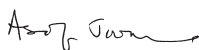
Munir A. Shaikh
Chairman

Condensed Interim Balance Sheet

As at March 31, 2011

	Note	Unaudited March 31, 2011	Audited December 31, 2010
(Rupees '000)			
Non-Current Assets			
Fixed assets - property, plant & equipment	3	1,974,354	1,877,596
Long-term loans and advances		46,017	39,203
Long-term deposits		2,801	2,801
Long-term prepayment		12,777	14,148
Total non-current assets		2,035,949	1,933,748
Current Assets			
Stores and spares		75,752	72,430
Stock-in-trade		1,882,846	2,069,633
Trade debts		302,748	263,267
Loans and advances - considered good		193,742	130,868
Trade deposits and short-term prepayments		121,355	134,170
Accrued profit		2,730	705
Other receivables		64,501	79,715
Taxation recoverable		266,553	286,798
Cash and bank balances		1,432,227	819,087
		4,342,454	3,856,673
Current Liabilities			
Trade and other payables		1,946,659	1,762,700
Dividends		293,701	-
		2,240,360	1,762,700
Net Current Assets		2,102,094	2,093,973
Total Assets Less Current Liabilities		4,138,043	4,027,721
Non- Current Liability			
Deferred Taxation		114,638	115,182
Contingencies and Commitments	4		
NET ASSETS		4,023,405	3,912,539
FINANCED BY:			
Share Capital and Reserves			
Authorised capital			
200,000,000 ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up capital	5	979,003	979,003
Reserves - capital		202,072	197,167
- revenue		2,842,330	2,736,369
SHAREHOLDERS' EQUITY		4,023,405	3,912,539

The annexed notes 1 - 8 form an integral part of these condensed interim financial statements.



ASIF JOOMA
CHIEF EXECUTIVE



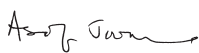
SYED ANIS AHMED
DIRECTOR

Condensed Interim Profit And Loss Account (Unaudited)

For the three months ended March 31, 2011

	Jan - Mar 2011	Dec - Feb 2010
	(Rupees '000)	
Sales - net		
Domestic	2,846,269	2,199,547
Export	151,828	111,587
	2,998,097	2,311,134
Cost of goods sold and services	1,917,738	1,650,833
Gross Profit	1,080,359	660,301
Selling and distribution expenses	438,129	346,263
Administrative expenses	59,965	49,425
Other operating income	582,265 31,382	264,613 26,237
Other operating charges	53,153	31,487
	560,494	259,363
Finance cost	896	848
Profit before taxation	559,598	258,515
Taxation - net	159,936	73,996
Profit for the period	399,662	184,519
	(Rupees)	
Earnings per share - basic / diluted	4.08	1.88

The annexed notes 1 - 8 form an integral part of these condensed interim financial statements.



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SYED ANIS AHMED
DIRECTOR

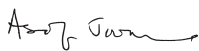
Condensed Interim

Statement of Comprehensive Income (Unaudited)

For the three months ended March 31, 2011

	Jan - Mar 2011	Dec - Feb 2010
	(Rupees '000)	
Profit for the period	399,662	184,519
Other comprehensive income	-	-
Total comprehensive income for the period	399,662	184,519

The annexed notes 1 - 8 form an integral part of these condensed interim financial statements.



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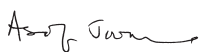
SYED ANIS AHMED
DIRECTOR

Condensed Interim Cash Flow Statement (Unaudited)

For the three months ended March 31, 2011

	Jan - Mar 2011	Dec - Feb 2010
	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	559,598	258,515
Adjustment for non-cash charges and other items		
Depreciation	62,179	56,775
Loss / (Gain) on disposal of fixed assets	1,909	(3,474)
Income on investment and deposits	(29,234)	(17,530)
Expense recognised in profit or loss in respect of equity-settled share-based payments	4,905	4,836
Finance cost	896	848
Working capital changes	293,258	(188,260)
Cash generated from operations	893,511	111,710
Income taxes paid	(140,235)	(58,709)
Long-term loans and advances - net	(6,814)	(3,757)
Long-term deposits - net	-	(1,142)
Long-term prepayment - net	1,371	147
Net cash inflow from operating activities	747,833	48,249
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(165,074)	(96,818)
Sale proceeds of fixed assets	4,228	6,526
Interest income	27,209	17,250
Net cash outflow from investing activities	(133,637)	(73,042)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost paid	(896)	(848)
Dividend paid	(160)	(1,168)
Net cash outflow from financing activities	(1,056)	(2,016)
Net increase/(decrease) in cash and cash equivalents	613,140	(26,809)
Cash and cash equivalents at the beginning of the period	819,087	770,784
Cash and cash equivalents at the end of the period	1,432,227	743,975

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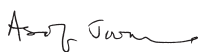
SYED ANIS AHMED
DIRECTOR

Condensed Interim Statement of Changes in Equity (Unaudited)

For the three months ended March 31, 2011

	Share Capital	Capital Reserve arising on merger	Reserves Other	Revenue General Reserve	Reserves Un-appropriated Profit	Total	Total Equity
	(Rupees '000)						
Balance as at November 30, 2009	979,003	46,097	127,756	1,538,422	547,182	2,259,457	3,238,460
Transfer from unappropriated profit to general reserve made subsequent to the year ended November 30, 2009	-	-	-	250,000	(250,000)	-	-
Total comprehensive income for the three months ended February 28, 2010	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	184,519	184,519	184,519
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	184,519	184,519	184,519
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-
Final dividend for the year ended November 30, 2009 declared subsequent to the year end	-	-	-	-	(293,701)	(293,701)	(293,701)
Capital contribution from Abbott International LLC, USA	-	-	4,836	-	-	4,836	4,836
Balance as at February 28, 2010	979,003	46,097	132,592	1,788,422	188,000	2,155,111	3,134,114
Balance as at December 31, 2010	979,003	46,097	151,070	1,788,422	947,947	2,933,536	3,912,539
Transfer from unappropriated profit to general reserve made subsequent to the period ended December 31, 2010	-	-	-	650,000	(650,000)	-	-
Total comprehensive income for the three months ended March 31, 2011	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	399,662	399,662	399,662
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	399,662	399,662	399,662
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-
Final dividend for the period ended December 31, 2010 declared subsequent to the period end	-	-	-	-	(293,701)	(293,701)	(293,701)
Capital contribution from Abbott International LLC, USA	-	-	4,905	-	-	4,905	4,905
Balance as at March 31, 2011	979,003	46,097	155,975	2,438,422	403,908	3,044,402	4,023,405

The annexed notes 1 - 8 form an integral part of these condensed interim financial statements.



ASIF JOOMA
CHIEF EXECUTIVE



SYED ANIS AHMED
DIRECTOR

Selected Explanatory Notes to the Condensed Interim Financial Statements (Unaudited)

For the three months ended March 31, 2011

1. THE COMPANY AND ITS OPERATIONS

Abbott Laboratories (Pakistan) Limited (The Company) is a public limited Company incorporated in Pakistan on July 02, 1948, and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges. The address of its registered office is opposite Radio Pakistan Transmission Centre, Hyderabad Road, Landhi, Karachi. The Company is principally engaged in the manufacture, import and marketing of research based pharmaceutical, nutritional, diagnostic, diabetes care, molecular devices, hospital and consumer products and in providing toll manufacturing services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Statement of compliance

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 – "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. These condensed interim financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the period ended December 31, 2010. These condensed interim financial statements are unaudited.

2.2 Accounting policies

These condensed interim financial statements have been prepared using the same accounting policies, related judgments, estimates and assumptions which were applied in the preparation of the annual financial statements of the Company for the period ended December 31, 2010.

3. PROPERTY, PLANT AND EQUIPMENT [COST OF ADDITIONS / (DELETIONS)]

	Jan - Mar 2011	Dec - Feb 2010
	(Rupees '000)	
Plant and machinery	94,440 (34,214)	17,976 -
Office equipment	25,972 (1,934)	2,047 -
Vehicles	13,721 (7,569)	13,980 (10,023)
Computers	9,633	-
Demonstration equipment	52,975	-
CWIP - net	(31,667)	62,815
Additions net off CWIP	165,074	96,818
Total (deletions)	(43,717)	(10,023)

Selected Explanatory Notes to the Condensed Interim Financial Statements (Unaudited)

For the three months ended March 31, 2011

4. CONTINGENCIES AND COMMITMENTS

Contingencies

The Company has given bank guarantees of Rs. 81.892 million (December 31, 2010: Rs 71.647 million) to the Customs Department, a utility company and other institutions against tenders.

Commitments

Commitments for capital expenditure as at March 31, 2011 aggregated approximately to Rs 77.427 million (December 31, 2010: Rs 130.028 million).

5. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

As at March 31, 2011, Abbott Asia Investments Limited, UK held 76,259,454 shares. The ultimate holding company is Abbott International LLC, USA.

6. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise other related parties, employee retirement benefit plans, directors and key management personnel. Transactions with related parties essentially entail sale and purchase of goods and services and expenses charged between these parties. Transactions with related parties are as follows:

	Jan - Mar 2011	Dec - Feb 2010
	(Rupees '000)	
Other related parties		
Sale of goods	12,823	13,775
Purchase of materials	462,609	504,597
Technical service fee	23,314	18,714
Reimbursements from a related party on account of:		
Selling and distribution expenses	13,213	11,348
Administrative expenses	1,299	2,453
Other operating Income / Other operating charges	497	1,367
Interest income earned	2,681	2,173
Charge in respect of staff retirement benefit plans		
Pension Fund	21,412	18,581
Provident Fund	10,563	9,243

Key management personnel

Short-term employee benefits	34,571	26,323
Post-employment benefits	3,621	2,944

Selected Explanatory Notes to the Condensed Interim Financial Statements (Unaudited)

For the three months ended March 31, 2011

7. SEGMENT WISE OPERATING RESULTS

7.1 Segment wise operating results for the first quarter:

	2011				2010			
	Pharmaceutical	Nutritional	Others	Total	Pharmaceutical	Nutritional	Others	Total
	(Rupees '000)							
Sales	2,339,323	398,783	370,294	3,108,400	1,893,375	319,689	157,370	2,370,434
Less:								
Sales return and discount	23,675	1,934	4,391	30,000	9,566	4,164	6,478	20,208
Sales tax & excise duty	-	38,487	41,816	80,303	-	28,004	11,088	39,092
Sales - net	2,315,648	358,362	324,087	2,998,097	1,883,809	287,521	139,804	2,311,134
Cost of good solds and services	1,512,140	209,698	195,900	1,917,738	1,330,243	216,181	104,409	1,650,833
Gross profit	803,508	148,664	128,187	1,080,359	553,566	71,340	35,395	660,301
Selling and distribution expenses	328,450	54,538	55,141	438,129	245,666	44,229	56,368	346,263
Administrative expenses	48,983	8,874	2,108	59,965	40,516	6,263	2,646	49,425
Segment result	426,075	85,252	70,938	582,265	267,384	20,848	(23,619)	264,613
Unallocated corporate expenses / income								
Other operating income	-	-	-	31,382	-	-	-	26,237
Other operating charges	-	-	-	53,153	-	-	-	31,487
Profit before finance cost and taxation	-	-	-	560,494	-	-	-	259,363

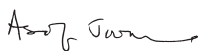
7.2 Geographical information

Sales to external customers

	Three months ended Mar 31, 2011	Three months ended Feb 28, 2010
	(Rupees '000)	
Pakistan	2,846,269	2,199,547
Afghanistan	112,188	74,372
Srilanka	26,817	23,440
Holland	12,823	13,775
	2,998,097	2,311,134

8. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on April 23, 2011 by the Board of Directors of the Company.



ASIF JOOMA
CHIEF EXECUTIVE



SYED ANIS AHMED
DIRECTOR

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